



General Assembly

February Session, 2014

Raised Bill No. 324

LCO No. 1747



Referred to Committee on HUMAN SERVICES

Introduced by:
(HS)

***AN ACT CONCERNING DEPARTMENT OF SOCIAL SERVICES
PROGRAMS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 16a-41a of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2014*):

4 (a) The Commissioner of Social Services shall submit to the joint
5 standing committees of the General Assembly having cognizance of
6 energy planning and activities, appropriations, and human services the
7 following on the implementation of the block grant program
8 authorized under the Low-Income Home Energy Assistance Act of
9 1981, as amended:

10 (1) Not later than [August] October first, annually, a Connecticut
11 energy assistance program annual plan which establishes guidelines
12 for the use of funds authorized under the Low-Income Home Energy
13 Assistance Act of 1981, as amended, and includes the following:

14 (A) Criteria for determining which households are to receive
15 emergency and weatherization assistance;

16 (B) A description of systems used to ensure referrals to other energy
17 assistance programs and the taking of simultaneous applications, as
18 required under section 16a-41;

19 (C) A description of outreach efforts;

20 (D) Estimates of the total number of households eligible for
21 assistance under the program and the number of households in which
22 one or more elderly or physically disabled individuals eligible for
23 assistance reside; and

24 (E) Design of a basic grant for eligible households that does not
25 discriminate against such households based on the type of energy used
26 for heating;

27 (2) Not later than January thirtieth, annually, a report covering the
28 preceding months of the program year, including:

29 (A) In each community action agency geographic area and
30 Department of Social Services region, the number of fuel assistance
31 applications filed, approved and denied, the number of emergency
32 assistance requests made, approved and denied and the number of
33 households provided weatherization assistance;

34 (B) In each such area and district, the total amount of fuel,
35 emergency and weatherization assistance, itemized by such type of
36 assistance, and total expenditures to date; and

37 (C) For each state-wide office of each state agency administering the
38 program, each community action agency and each Department of
39 Social Services region, administrative expenses under the program, by
40 line item, and an estimate of outreach expenditures; and

41 (3) Not later than November first, annually, a report covering the

42 preceding twelve calendar months, including:

43 (A) In each community action agency geographic area and
44 Department of Social Services region, (i) seasonal totals for the
45 categories of data submitted under subdivision (1) of this subsection,
46 (ii) the number of households receiving fuel assistance in which elderly
47 or physically disabled individuals reside, and (iii) the average
48 combined benefit level of fuel, emergency and renter assistance;

49 (B) Types of weatherization assistance provided;

50 (C) Percentage of weatherization assistance provided to tenants;

51 (D) The number of homeowners and tenants whose heat or total
52 energy costs are not included in their rent receiving fuel and
53 emergency assistance under the program by benefit level;

54 (E) The number of homeowners and tenants whose heat is included
55 in their rent and who are receiving assistance, by benefit level; and

56 (F) The number of households receiving assistance, by energy type
57 and total expenditures for each energy type.

58 Sec. 2. Section 17b-369 of the 2014 supplement to the general statutes
59 is amended by adding subsection (f) as follows (*Effective from passage*):

60 (NEW) (f) The commissioner, pursuant to section 17b-10, may
61 implement policies and procedures necessary to administer the
62 provisions of this section while in the process of adopting such policies
63 and procedures as regulations, provided the commissioner provides
64 notice of such policies and procedures in accordance with section 17b-
65 10. Policies and procedures implemented pursuant to this section shall
66 be valid until the time final regulations are adopted.

67 Sec. 3. Subdivision (1) of subsection (h) of section 17b-340 of the
68 2014 supplement to the general statutes is repealed and the following
69 is substituted in lieu thereof (*Effective from passage*):

70 (h) (1) For the fiscal year ending June 30, 1993, any residential care
71 home with an operating cost component of its rate in excess of one
72 hundred thirty per cent of the median of operating cost components of
73 rates in effect January 1, 1992, shall not receive an operating cost
74 component increase. For the fiscal year ending June 30, 1993, any
75 residential care home with an operating cost component of its rate that
76 is less than one hundred thirty per cent of the median of operating cost
77 components of rates in effect January 1, 1992, shall have an allowance
78 for real wage growth equal to sixty-five per cent of the increase
79 determined in accordance with subsection (q) of section 17-311-52 of
80 the regulations of Connecticut state agencies, provided such operating
81 cost component shall not exceed one hundred thirty per cent of the
82 median of operating cost components in effect January 1, 1992.
83 Beginning with the fiscal year ending June 30, 1993, for the purpose of
84 determining allowable fair rent, a residential care home with allowable
85 fair rent less than the twenty-fifth percentile of the state-wide
86 allowable fair rent shall be reimbursed as having allowable fair rent
87 equal to the twenty-fifth percentile of the state-wide allowable fair
88 rent. Beginning with the fiscal year ending June 30, 1997, a residential
89 care home with allowable fair rent less than three dollars and ten cents
90 per day shall be reimbursed as having allowable fair rent equal to
91 three dollars and ten cents per day. Property additions placed in
92 service during the cost year ending September 30, 1996, or any
93 succeeding cost year shall receive a fair rent allowance for such
94 additions as an addition to three dollars and ten cents per day if the
95 fair rent for the facility for property placed in service prior to
96 September 30, 1995, is less than or equal to three dollars and ten cents
97 per day. For the fiscal year ending June 30, 1996, and any succeeding
98 fiscal year, the allowance for real wage growth, as determined in
99 accordance with subsection (q) of section 17-311-52 of the regulations
100 of Connecticut state agencies, shall not be applied. For the fiscal year
101 ending June 30, 1996, and any succeeding fiscal year, the inflation
102 adjustment made in accordance with subsection (p) of section 17-311-
103 52 of the regulations of Connecticut state agencies shall not be applied

104 to real property costs. Beginning with the fiscal year ending June 30,
105 1997, minimum allowable patient days for rate computation purposes
106 for a residential care home with twenty-five beds or less shall be
107 eighty-five per cent of licensed capacity. Beginning with the fiscal year
108 ending June 30, 2002, for the purposes of determining the allowable
109 salary of an administrator of a residential care home with sixty beds or
110 less the department shall revise the allowable base salary to thirty-
111 seven thousand dollars to be annually inflated thereafter in accordance
112 with section 17-311-52 of the regulations of Connecticut state agencies.
113 The rates for the fiscal year ending June 30, 2002, shall be based upon
114 the increased allowable salary of an administrator, regardless of
115 whether such amount was expended in the 2000 cost report period
116 upon which the rates are based. Beginning with the fiscal year ending
117 June 30, 2000, and until the fiscal year ending June 30, 2009, inclusive,
118 the inflation adjustment for rates made in accordance with subsection
119 (p) of section 17-311-52 of the regulations of Connecticut state agencies
120 shall be increased by two per cent, and beginning with the fiscal year
121 ending June 30, 2002, the inflation adjustment for rates made in
122 accordance with subsection (c) of said section shall be increased by one
123 per cent. Beginning with the fiscal year ending June 30, 1999, for the
124 purpose of determining the allowable salary of a related party, the
125 department shall revise the maximum salary to twenty-seven
126 thousand eight hundred fifty-six dollars to be annually inflated
127 thereafter in accordance with section 17-311-52 of the regulations of
128 Connecticut state agencies and beginning with the fiscal year ending
129 June 30, 2001, such allowable salary shall be computed on an hourly
130 basis and the maximum number of hours allowed for a related party
131 other than the proprietor shall be increased from forty hours to forty-
132 eight hours per work week. For the fiscal year ending June 30, 2005,
133 each facility shall receive a rate that is two and one-quarter per cent
134 more than the rate the facility received in the prior fiscal year, except
135 any facility that would have been issued a lower rate effective July 1,
136 2004, than for the fiscal year ending June 30, 2004, due to interim rate
137 status or agreement with the department shall be issued such lower

138 rate effective July 1, 2004. Effective upon receipt of all the necessary
139 federal approvals to secure federal financial participation matching
140 funds associated with the rate increase provided in subdivision (4) of
141 subsection (f) of this section, but in no event earlier than October 1,
142 2005, and provided the user fee imposed under section 17b-320 is
143 required to be collected, each facility shall receive a rate that is
144 determined in accordance with applicable law and subject to
145 appropriations, except any facility that would have been issued a
146 lower rate effective October 1, 2005, than for the fiscal year ending June
147 30, 2005, due to interim rate status or agreement with the department,
148 shall be issued such lower rate effective October 1, 2005. Such rate
149 increase shall remain in effect unless: (A) The federal financial
150 participation matching funds associated with the rate increase are no
151 longer available; or (B) the user fee created pursuant to section 17b-320
152 is not in effect. For the fiscal year ending June 30, 2007, rates in effect
153 for the period ending June 30, 2006, shall remain in effect until
154 September 30, 2006, except any facility that would have been issued a
155 lower rate effective July 1, 2006, than for the fiscal year ending June 30,
156 2006, due to interim rate status or agreement with the department,
157 shall be issued such lower rate effective July 1, 2006. Effective October
158 1, 2006, no facility shall receive a rate that is more than four per cent
159 greater than the rate in effect for the facility on September 30, 2006,
160 except for any facility that would have been issued a lower rate
161 effective October 1, 2006, due to interim rate status or agreement with
162 the department, shall be issued such lower rate effective October 1,
163 2006. For the fiscal years ending June 30, 2010, and June 30, 2011, rates
164 in effect for the period ending June 30, 2009, shall remain in effect until
165 June 30, 2011, except any facility that would have been issued a lower
166 rate for the fiscal year ending June 30, 2010, or the fiscal year ending
167 June 30, 2011, due to interim rate status or agreement with the
168 department, shall be issued such lower rate, except (i) any facility that
169 would have been issued a lower rate for the fiscal year ending June 30,
170 2010, or the fiscal year ending June 30, 2011, due to interim rate status
171 or agreement with the Commissioner of Social Services shall be issued

172 such lower rate; and (ii) the commissioner may increase a facility's rate
173 for reasonable costs associated with such facility's compliance with the
174 provisions of section 19a-495a concerning the administration of
175 medication by unlicensed personnel. For the fiscal year ending June 30,
176 2012, rates in effect for the period ending June 30, 2011, shall remain in
177 effect until June 30, 2012, except that (I) any facility that would have
178 been issued a lower rate for the fiscal year ending June 30, 2012, due to
179 interim rate status or agreement with the Commissioner of Social
180 Services shall be issued such lower rate; and (II) the commissioner may
181 increase a facility's rate for reasonable costs associated with such
182 facility's compliance with the provisions of section 19a-495a
183 concerning the administration of medication by unlicensed personnel.
184 For the fiscal year ending June 30, 2013, the Commissioner of Social
185 Services may, within available appropriations, provide a rate increase
186 to a residential care home. Any facility that would have been issued a
187 lower rate for the fiscal year ending June 30, 2013, due to interim rate
188 status or agreement with the Commissioner of Social Services shall be
189 issued such lower rate. For the fiscal years ending June 30, 2012, and
190 June 30, 2013, the Commissioner of Social Services may provide fair
191 rent increases to any facility that has undergone a material change in
192 circumstances related to fair rent and has an approved certificate of
193 need pursuant to section 17b-352, 17b-353, 17b-354 or 17b-355. For the
194 fiscal years ending June 30, 2014, and June 30, 2015, for those facilities
195 that have a calculated rate greater than the rate in effect for the fiscal
196 year ending June 30, 2013, the commissioner may increase facility rates
197 based upon available appropriations up to a stop gain as determined
198 by the commissioner. No facility shall be issued a rate that is lower
199 than the rate in effect on June 30, 2013, [. Any] except that any facility
200 that would have been issued a lower rate for the fiscal year ending
201 June 30, 2014, or the fiscal year ending June 30, 2015, due to interim
202 rate status or agreement with the commissioner, shall be issued such
203 lower rate.

204 Sec. 4. Subdivision (4) of subsection (f) of section 17b-340 of the 2014

205 supplement to the general statutes is repealed and the following is
206 substituted in lieu thereof (*Effective from passage*):

207 (4) For the fiscal year ending June 30, 1992, (A) no facility shall
208 receive a rate that is less than the rate it received for the rate year
209 ending June 30, 1991; (B) no facility whose rate, if determined pursuant
210 to this subsection, would exceed one hundred twenty per cent of the
211 state-wide median rate, as determined pursuant to this subsection,
212 shall receive a rate which is five and one-half per cent more than the
213 rate it received for the rate year ending June 30, 1991; and (C) no
214 facility whose rate, if determined pursuant to this subsection, would be
215 less than one hundred twenty per cent of the state-wide median rate,
216 as determined pursuant to this subsection, shall receive a rate which is
217 six and one-half per cent more than the rate it received for the rate year
218 ending June 30, 1991. For the fiscal year ending June 30, 1993, no
219 facility shall receive a rate that is less than the rate it received for the
220 rate year ending June 30, 1992, or six per cent more than the rate it
221 received for the rate year ending June 30, 1992. For the fiscal year
222 ending June 30, 1994, no facility shall receive a rate that is less than the
223 rate it received for the rate year ending June 30, 1993, or six per cent
224 more than the rate it received for the rate year ending June 30, 1993.
225 For the fiscal year ending June 30, 1995, no facility shall receive a rate
226 that is more than five per cent less than the rate it received for the rate
227 year ending June 30, 1994, or six per cent more than the rate it received
228 for the rate year ending June 30, 1994. For the fiscal years ending June
229 30, 1996, and June 30, 1997, no facility shall receive a rate that is more
230 than three per cent more than the rate it received for the prior rate
231 year. For the fiscal year ending June 30, 1998, a facility shall receive a
232 rate increase that is not more than two per cent more than the rate that
233 the facility received in the prior year. For the fiscal year ending June
234 30, 1999, a facility shall receive a rate increase that is not more than
235 three per cent more than the rate that the facility received in the prior
236 year and that is not less than one per cent more than the rate that the
237 facility received in the prior year, exclusive of rate increases associated

238 with a wage, benefit and staffing enhancement rate adjustment added
239 for the period from April 1, 1999, to June 30, 1999, inclusive. For the
240 fiscal year ending June 30, 2000, each facility, except a facility with an
241 interim rate or replaced interim rate for the fiscal year ending June 30,
242 1999, and a facility having a certificate of need or other agreement
243 specifying rate adjustments for the fiscal year ending June 30, 2000,
244 shall receive a rate increase equal to one per cent applied to the rate the
245 facility received for the fiscal year ending June 30, 1999, exclusive of
246 the facility's wage, benefit and staffing enhancement rate adjustment.
247 For the fiscal year ending June 30, 2000, no facility with an interim rate,
248 replaced interim rate or scheduled rate adjustment specified in a
249 certificate of need or other agreement for the fiscal year ending June
250 30, 2000, shall receive a rate increase that is more than one per cent
251 more than the rate the facility received in the fiscal year ending June
252 30, 1999. For the fiscal year ending June 30, 2001, each facility, except a
253 facility with an interim rate or replaced interim rate for the fiscal year
254 ending June 30, 2000, and a facility having a certificate of need or other
255 agreement specifying rate adjustments for the fiscal year ending June
256 30, 2001, shall receive a rate increase equal to two per cent applied to
257 the rate the facility received for the fiscal year ending June 30, 2000,
258 subject to verification of wage enhancement adjustments pursuant to
259 subdivision (14) of this subsection. For the fiscal year ending June 30,
260 2001, no facility with an interim rate, replaced interim rate or
261 scheduled rate adjustment specified in a certificate of need or other
262 agreement for the fiscal year ending June 30, 2001, shall receive a rate
263 increase that is more than two per cent more than the rate the facility
264 received for the fiscal year ending June 30, 2000. For the fiscal year
265 ending June 30, 2002, each facility shall receive a rate that is two and
266 one-half per cent more than the rate the facility received in the prior
267 fiscal year. For the fiscal year ending June 30, 2003, each facility shall
268 receive a rate that is two per cent more than the rate the facility
269 received in the prior fiscal year, except that such increase shall be
270 effective January 1, 2003, and such facility rate in effect for the fiscal
271 year ending June 30, 2002, shall be paid for services provided until

272 December 31, 2002, except any facility that would have been issued a
273 lower rate effective July 1, 2002, than for the fiscal year ending June 30,
274 2002, due to interim rate status or agreement with the department shall
275 be issued such lower rate effective July 1, 2002, and have such rate
276 increased two per cent effective June 1, 2003. For the fiscal year ending
277 June 30, 2004, rates in effect for the period ending June 30, 2003, shall
278 remain in effect, except any facility that would have been issued a
279 lower rate effective July 1, 2003, than for the fiscal year ending June 30,
280 2003, due to interim rate status or agreement with the department shall
281 be issued such lower rate effective July 1, 2003. For the fiscal year
282 ending June 30, 2005, rates in effect for the period ending June 30, 2004,
283 shall remain in effect until December 31, 2004, except any facility that
284 would have been issued a lower rate effective July 1, 2004, than for the
285 fiscal year ending June 30, 2004, due to interim rate status or
286 agreement with the department shall be issued such lower rate
287 effective July 1, 2004. Effective January 1, 2005, each facility shall
288 receive a rate that is one per cent greater than the rate in effect
289 December 31, 2004. Effective upon receipt of all the necessary federal
290 approvals to secure federal financial participation matching funds
291 associated with the rate increase provided in this subdivision, but in
292 no event earlier than July 1, 2005, and provided the user fee imposed
293 under section 17b-320 is required to be collected, for the fiscal year
294 ending June 30, 2006, the department shall compute the rate for each
295 facility based upon its 2003 cost report filing or a subsequent cost year
296 filing for facilities having an interim rate for the period ending June 30,
297 2005, as provided under section 17-311-55 of the regulations of
298 Connecticut state agencies. For each facility not having an interim rate
299 for the period ending June 30, 2005, the rate for the period ending June
300 30, 2006, shall be determined beginning with the higher of the
301 computed rate based upon its 2003 cost report filing or the rate in
302 effect for the period ending June 30, 2005. Such rate shall then be
303 increased by eleven dollars and eighty cents per day except that in no
304 event shall the rate for the period ending June 30, 2006, be thirty-two
305 dollars more than the rate in effect for the period ending June 30, 2005,

306 and for any facility with a rate below one hundred ninety-five dollars
307 per day for the period ending June 30, 2005, such rate for the period
308 ending June 30, 2006, shall not be greater than two hundred seventeen
309 dollars and forty-three cents per day and for any facility with a rate
310 equal to or greater than one hundred ninety-five dollars per day for
311 the period ending June 30, 2005, such rate for the period ending June
312 30, 2006, shall not exceed the rate in effect for the period ending June
313 30, 2005, increased by eleven and one-half per cent. For each facility
314 with an interim rate for the period ending June 30, 2005, the interim
315 replacement rate for the period ending June 30, 2006, shall not exceed
316 the rate in effect for the period ending June 30, 2005, increased by
317 eleven dollars and eighty cents per day plus the per day cost of the
318 user fee payments made pursuant to section 17b-320 divided by
319 annual resident service days, except for any facility with an interim
320 rate below one hundred ninety-five dollars per day for the period
321 ending June 30, 2005, the interim replacement rate for the period
322 ending June 30, 2006, shall not be greater than two hundred seventeen
323 dollars and forty-three cents per day and for any facility with an
324 interim rate equal to or greater than one hundred ninety-five dollars
325 per day for the period ending June 30, 2005, the interim replacement
326 rate for the period ending June 30, 2006, shall not exceed the rate in
327 effect for the period ending June 30, 2005, increased by eleven and one-
328 half per cent. Such July 1, 2005, rate adjustments shall remain in effect
329 unless (i) the federal financial participation matching funds associated
330 with the rate increase are no longer available; or (ii) the user fee
331 created pursuant to section 17b-320 is not in effect. For the fiscal year
332 ending June 30, 2007, each facility shall receive a rate that is three per
333 cent greater than the rate in effect for the period ending June 30, 2006,
334 except any facility that would have been issued a lower rate effective
335 July 1, 2006, than for the rate period ending June 30, 2006, due to
336 interim rate status or agreement with the department, shall be issued
337 such lower rate effective July 1, 2006. For the fiscal year ending June
338 30, 2008, each facility shall receive a rate that is two and nine-tenths
339 per cent greater than the rate in effect for the period ending June 30,

2007, except any facility that would have been issued a lower rate effective July 1, 2007, than for the rate period ending June 30, 2007, due to interim rate status or agreement with the department, shall be issued such lower rate effective July 1, 2007. For the fiscal year ending June 30, 2009, rates in effect for the period ending June 30, 2008, shall remain in effect until June 30, 2009, except any facility that would have been issued a lower rate for the fiscal year ending June 30, 2009, due to interim rate status or agreement with the department shall be issued such lower rate. For the fiscal years ending June 30, 2010, and June 30, 2011, rates in effect for the period ending June 30, 2009, shall remain in effect until June 30, 2011, except any facility that would have been issued a lower rate for the fiscal year ending June 30, 2010, or the fiscal year ending June 30, 2011, due to interim rate status or agreement with the department, shall be issued such lower rate. For the fiscal years ending June 30, 2012, and June 30, 2013, rates in effect for the period ending June 30, 2011, shall remain in effect until June 30, 2013, except any facility that would have been issued a lower rate for the fiscal year ending June 30, 2012, or the fiscal year ending June 30, 2013, due to interim rate status or agreement with the department, shall be issued such lower rate. For the fiscal year ending June 30, 2014, the department shall determine facility rates based upon 2011 cost report filings subject to the provisions of this section and applicable regulations except: (I) A ninety per cent minimum occupancy standard shall be applied; (II) no facility shall receive a rate that is higher than the rate in effect on June 30, 2013; and (III) no facility shall receive a rate that is more than four per cent lower than the rate in effect on June 30, 2013, [~~;~~ and (IV)] except that any facility that would have been issued a lower rate effective July 1, 2013, than for the rate period ending June 30, 2013, due to interim rate status or agreement with the department, shall be issued such lower rate effective July 1, 2013. For the fiscal year ending June 30, 2015, rates in effect for the period ending June 30, 2014, shall remain in effect until June 30, 2015, except any facility that would have been issued a lower rate effective July 1, 2014, than for the rate period ending June 30, 2014, due to interim rate

374 status or agreement with the department, shall be issued such lower
375 rate effective July 1, 2014. The Commissioner of Social Services shall
376 add fair rent increases to any other rate increases established pursuant
377 to this subdivision for a facility which has undergone a material
378 change in circumstances related to fair rent, except for the fiscal years
379 ending June 30, 2010, June 30, 2011, and June 30, 2012, such fair rent
380 increases shall only be provided to facilities with an approved
381 certificate of need pursuant to section 17b-352, 17b-353, 17b-354 or 17b-
382 355. For the fiscal year ending June 30, 2013, the commissioner may,
383 within available appropriations, provide pro rata fair rent increases for
384 facilities which have undergone a material change in circumstances
385 related to fair rent additions placed in service in cost report years
386 ending September 30, 2008, to September 30, 2011, inclusive, and not
387 otherwise included in rates issued. For the fiscal years ending June 30,
388 2014, and June 30, 2015, the commissioner may, within available
389 appropriations, provide pro rata fair rent increases, which may include
390 moveable equipment at the discretion of the commissioner, for
391 facilities which have undergone a material change in circumstances
392 related to fair rent additions or moveable equipment placed in service
393 in cost report years ending September 30, 2012, and September 30,
394 2013, and not otherwise included in rates issued. The commissioner
395 shall add fair rent increases associated with an approved certificate of
396 need pursuant to section 17b-352, 17b-353, 17b-354 or 17b-355. Interim
397 rates may take into account reasonable costs incurred by a facility,
398 including wages and benefits. Notwithstanding the provisions of this
399 section, the Commissioner of Social Services may, subject to available
400 appropriations, increase or decrease rates issued to licensed chronic
401 and convalescent nursing homes and licensed rest homes with nursing
402 supervision.

403 Sec. 5. Section 17b-408 of the general statutes is repealed and the
404 following is substituted in lieu thereof (*Effective October 1, 2014*):

405 Upon receipt of a report or complaint as provided in section
406 17b-407, the [commissioner] Commissioner of Social Services shall

407 determine immediately whether there are reasonable grounds for an
408 investigation. If it is determined that reasonable grounds do not exist
409 for an investigation, the complainant or the person making the report
410 shall be notified of this determination not later than five working days
411 after the receipt of such complaint or report. If such reasonable
412 grounds are found, the [commissioner] Commissioner of Social
413 Services shall investigate such report or complaint not later than ten
414 working days thereafter. The [commissioner] Commissioner of Social
415 Services shall complete an investigation and make a report of the
416 findings not later than fifteen working days after the receipt of the
417 complaint or report. If the investigation indicates that there is a
418 possible violation of section 19a-533, 19a-535 or 19a-537, the
419 [commissioner] Commissioner of Social Services shall refer the report
420 or complaint together with a report of any investigation the
421 commissioner has undertaken to the Department of Public Health for
422 action as appropriate. If the investigation indicates that there is a
423 possible violation of the provisions of the Public Health Code with
424 respect to licensing requirements, the [commissioner] Commissioner of
425 Social Services shall refer the report or complaint, together with a
426 report of the [commissioner's] investigation, to the Commissioner of
427 Public Health for appropriate action. If no violation of the Public
428 Health Code is indicated, the [commissioner] Commissioner of Social
429 Services shall take whatever action [the] said commissioner deems
430 necessary, and shall notify the complainant or the person making the
431 report, of the action taken not later than fifteen working days after
432 receipt of the complaint or report. If the investigation indicates that a
433 person has abused, neglected, exploited or abandoned a resident in a
434 long-term care facility, the [commissioner] Commissioner of Social
435 Services shall refer such information in writing to the Chief State's
436 Attorney or the Chief State's Attorney's designee who shall conduct
437 such further investigation, if any, as deemed necessary and shall
438 determine whether criminal proceedings should be initiated against
439 such person in accordance with applicable state law.

440 Sec. 6. Section 17b-239 of the 2014 supplement to the general statutes
441 is repealed and the following is substituted in lieu thereof (*Effective July*
442 *1, 2014*):

443 (a) (1) Until the time subdivision (2) of this subsection is effective,
444 the rate to be paid by the state to hospitals receiving appropriations
445 granted by the General Assembly and to freestanding chronic disease
446 hospitals providing services to persons aided or cared for by the state
447 for routine services furnished to state patients, shall be based upon
448 reasonable cost to such hospital, or the charge to the general public for
449 ward services or the lowest charge for semiprivate services if the
450 hospital has no ward facilities, imposed by such hospital, whichever is
451 lowest, except to the extent, if any, that the commissioner determines
452 that a greater amount is appropriate in the case of hospitals serving a
453 disproportionate share of indigent patients. Such rate shall be
454 promulgated annually by the Commissioner of Social Services.

455 (2) On or after July 1, 2013, Medicaid rates paid to acute care and
456 children's hospitals shall be based on diagnosis-related groups
457 established and periodically rebased by the Commissioner of Social
458 Services, provided the Department of Social Services completes a fiscal
459 analysis of the impact of such rate payment system on each hospital.
460 The Commissioner of Social Services shall, in accordance with the
461 provisions of section 11-4a, file a report on the results of the fiscal
462 analysis not later than six months after implementing the rate payment
463 system with the joint standing committees of the General Assembly
464 having cognizance of matters relating to human services and
465 appropriations and the budgets of state agencies. The Commissioner of
466 Social Services shall annually determine in-patient rates for each
467 hospital by multiplying diagnostic-related group relative weights by a
468 base rate. Within available appropriations, the commissioner may, in
469 his or her discretion, make additional payments to hospitals based on
470 criteria to be determined by the commissioner. Nothing contained in
471 this section shall authorize Medicaid payment by the state to any such
472 hospital in excess of the charges made by such hospital for comparable

473 services to the general public.

474 (b) Effective October 1, 1991, the rate to be paid by the state for the
475 cost of special services rendered by such hospitals shall be established
476 annually by the commissioner for each such hospital based on the
477 reasonable cost to each hospital of such services furnished to state
478 patients. Nothing contained in this subsection shall authorize a
479 payment by the state for such services to any such hospital in excess of
480 the charges made by such hospital for comparable services to the
481 general public.

482 (c) The term "reasonable cost" as used in this section means the cost
483 of care furnished such patients by an efficient and economically
484 operated facility, computed in accordance with accepted principles of
485 hospital cost reimbursement. The commissioner may adjust the rate of
486 payment established under the provisions of this section for the year
487 during which services are furnished to reflect fluctuations in hospital
488 costs. Such adjustment may be made prospectively to cover anticipated
489 fluctuations or may be made retroactive to any date subsequent to the
490 date of the initial rate determination for such year or in such other
491 manner as may be determined by the commissioner. In determining
492 "reasonable cost" the commissioner may give due consideration to
493 allowances for fully or partially unpaid bills, reasonable costs
494 mandated by collective bargaining agreements with certified collective
495 bargaining agents or other agreements between the employer and
496 employees, provided "employees" shall not include persons employed
497 as managers or chief administrators, requirements for working capital
498 and cost of development of new services, including additions to and
499 replacement of facilities and equipment. The commissioner shall not
500 give consideration to amounts paid by the facilities to employees as
501 salary, or to attorneys or consultants as fees, where the responsibility
502 of the employees, attorneys or consultants is to persuade or seek to
503 persuade the other employees of the facility to support or oppose
504 unionization. Nothing in this subsection shall prohibit the
505 commissioner from considering amounts paid for legal counsel related

506 to the negotiation of collective bargaining agreements, the settlement
507 of grievances or normal administration of labor relations.

508 (d) (1) Until such time as subdivision (2) of this subsection is
509 effective, the state shall also pay to such hospitals for each outpatient
510 clinic and emergency room visit a reasonable rate to be established
511 annually by the commissioner for each hospital, such rate to be
512 determined by the reasonable cost of such services.

513 (2) On or after July 1, 2013, hospitals shall be paid for outpatient and
514 emergency room episodes of care based on prospective rates
515 established by the commissioner in accordance with the Medicare
516 Ambulatory Payment Classification system in conjunction with a state
517 conversion factor, provided the Department of Social Services
518 completes a fiscal analysis of the impact of such rate payment system
519 on each hospital. The Commissioner of Social Services shall, in
520 accordance with the provisions of section 11-4a, file a report on the
521 results of the fiscal analysis not later than six months after
522 implementing the rate payment system with the joint standing
523 committees of the General Assembly having cognizance of matters
524 relating to human services and appropriations and the budgets of state
525 agencies. The Medicare Ambulatory Payment Classification system
526 shall be modified to provide payment for services not generally
527 covered by Medicare, including, but not limited to, pediatric, obstetric,
528 neonatal and perinatal services. Nothing contained in this subsection
529 shall authorize a payment by the state for such episodes of care to any
530 hospital in excess of the charges made by such hospital for comparable
531 services to the general public. Those outpatient hospital services that
532 do not have an established Ambulatory Payment Classification code
533 shall be paid on the basis of a ratio of cost to charges, or the fixed fee in
534 effect as of January 1, 2013. The Commissioner of Social Services shall
535 establish a fee schedule for outpatient hospital services to be effective
536 on and after January 1, 1995, and may annually modify such fee
537 schedule if such modification is needed to ensure that the conversion
538 to an administrative services organization is cost neutral to hospitals in

539 the aggregate and ensures patient access. Utilization may be a factor in
540 determining cost neutrality.

541 (e) The commissioner shall adopt regulations, in accordance with
542 the provisions of chapter 54, establishing criteria for defining
543 emergency and nonemergency visits to hospital emergency rooms. All
544 nonemergency visits to hospital emergency rooms shall be paid at the
545 hospital's outpatient clinic services rate. Nothing contained in this
546 subsection or the regulations adopted under this section shall
547 authorize a payment by the state for such services to any hospital in
548 excess of the charges made by such hospital for comparable services to
549 the general public. To the extent permitted by federal law, the
550 Commissioner of Social Services shall impose cost-sharing
551 requirements under the medical assistance program for nonemergency
552 use of hospital emergency room services.

553 [(f) On and after July 1, 1995, no payment shall be made by the state
554 to an acute care general hospital for the inpatient care of a patient who
555 no longer requires acute care and is eligible for Medicare unless the
556 hospital does not obtain reimbursement from Medicare for that stay.]

557 [(g)] (f) The commissioner shall establish rates to be paid to
558 freestanding chronic disease hospitals.

559 [(h)] (g) The Commissioner of Social Services may implement
560 policies and procedures as necessary to carry out the provisions of this
561 section while in the process of adopting the policies and procedures as
562 regulations, provided notice of intent to adopt the regulations is
563 published in [the Connecticut Law Journal] accordance with section
564 17b-10 not later than twenty days after the date of implementation.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2014</i>	16a-41a(a)
Sec. 2	<i>from passage</i>	17b-369

Sec. 3	<i>from passage</i>	17b-340(h)(1)
Sec. 4	<i>from passage</i>	17b-340(f)(4)
Sec. 5	<i>October 1, 2014</i>	17b-408
Sec. 6	<i>July 1, 2014</i>	17b-239

Statement of Purpose:

To make technical and other changes to statutes concerning the Department of Social Services.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]